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INFORMATION REPORT INFORMATION REPORT

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COUNTRY **East Germany**

REPORT

SUBJECT **The Potash Industry in East Germany
in September 1955**DATE DISTR. **24 January 1956**NO. PAGES **23**REQUIREMENT
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On 15 September 1955, the Working Group for Heavy Industry of the East German Central Commission for State Control submitted a report entitled "Survey of the Technology, Working Organization and Causes of Production Losses in the Potash Mining Industry". The report emphasized the importance of the industry to the East German economy and criticized the fact that government officials had apparently underestimated this importance. The Main Administration for Potash and Non-Metallic Ore Mining of the Ministry for Heavy Industry was also criticized for not having an adequate grasp of the production situation in the industry. The following day, 16 September, the Main Administration submitted its report on the potash industry to the Kollegium of the Ministry for Heavy Industry. Significant excerpts from that report, explaining conditions in the industry, are given below.

1. East Germany has extensive reserves of potash salts (hard salt - Sylvite - Sylvinit, and particularly Carnallite). These are the only known deposits in all of Europe except for those in West Germany and minor amounts in the Soviet Union, France and Spain. Three-fifths of the German reserves are located in East Germany, the remaining two-fifths in the Federal Republic. East German production is centered chiefly in the Werra area and in the Southern Harz. Minor productive capacity is to be found in Middle Germany in the Stassfurt-Bernburg and Halle areas. In all, there are 14 potash enterprises currently administered by the Main Administration for Potash and Non-metallic Ore Mining.
2. The industry is important to the national economy since it supplies East German agriculture with most of its fertilizers. Furthermore, almost two-thirds of the current production is exported - about 40% to "countries of the democratic world market of the Soviet Union and to the people's democracies" and about 60% to capitalist countries. Exports could be expanded considerably if production were greater, as the demand exceeds the supply. In addition to fertilizers, a number of by-products such as sodium sulphate, magnesium sulphate, bromine, etc., are produced by the potash industry and mostly exported.
3. After World War II, approximately 90% of the industry's productive capacity was administered through the former SAG (Soviet holding company), until early 1952

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On 1 August 1952, the enterprises were placed under the jurisdiction of the Main Administration for Potash and Non-Metallic Ore Mining. From that date until July 1955, ton-yield in the industry increased by 132.3%, while the production of potash products rose 136.2%. However, during the same period as investments were made to expand the productive capacity of the industry, despite recommendations including those of an investigating commission of the Deutsche Investitionsbank. (This group, which spent six months studying the industry during 1953, reported that about 50,000,000 DME for general repairs and additional investments would be essential during 1954 and 1955.)

4. The first decisive production difficulties developed in September 1954. Pit V of the VEB Kaliwerk Glueckauf, Sondershausen, was forced to suspend operations, thereby causing a production loss of 50,000 tons of potash salts. Despite this loss, the industry was still able to overfulfill its plan for the fourth quarter of 1954 through energetic and united action by the SED and the trade unions. However, 1955 plans which anticipated a 7% production increase over 1954 immediately ran into difficulties. Repair work at Pit V was completed, not by mid-January 1955 as anticipated, but at the end of June - a further loss of about 50,000 tons of potash salts. Attempts of the Main Administration to have the plan quota reduced were rejected by the State Planning Commission on the grounds that productive capacity was available in other enterprises to compensate for the loss and make plan fulfillment possible. Quotas for all other enterprises were therefore increased, but the plan was still not fulfilled. As of 31 August 1955, plan fulfillment for potash products amounted to 86.2%, a non-realization of 37,366 tons of potash salts. (The plan for the first quarter was met by only 96.2%, while a marked increase in production during the second quarter made a 99.1% fulfillment possible for that period. At the beginning of July, however, production declined seriously in almost all enterprises. July's quota was filled by only 89.9% and that of August by 93.4%.)
5. The chief reasons for this non-fulfillment are to be found in the fact that the state apparatus, the SED leadership and the trade unions underestimated the importance of the East German potash industry. Despite the efforts of the Deutsche Investitionsbank, the Ministry for Foreign and Domestic Trade, the Deutsche Warenvertriebsgesellschaft and the Main Administration itself, to influence officials all the way up to the Minister President, Otto Grotewohl, it has still not been possible to establish the relative importance of the industry for East German and the world peace camp. Representatives of the industry cannot understand why pit coal and metallic ore mining are considered more significant than potash mining. When, for example, the Minister President did not mention a word about the work and achievements of the potash mines on the Day of the German Miner, there was considerable dissatisfied comment in the potash areas. Leading government officials, Party members and trade union functionaries often speak of other branches of the mining industry but the potash industry never receives such endorsements.
6. As a result, ideological-political work among employees of the industry is poor and there is inadequate training and preparation of cadres. It is not surprising under the circumstances that workers' discipline is poor. Absenteeism through sickness often rises as high as 125% above the planned level in various enterprises. The working force also fluctuates too greatly. Of the 4,000 workers at the Ernst Thaelmann plant, for instance, 700 left between June and September 1955 and about 600 new employees had to be hired, some 500 in the mines alone. The workers leave chiefly because wages are significantly higher in the metallurgical industry, in machine construction, in the building trades and in light industry. The higher take-home pay in other industrial branches does not stem from the wage schedule but from extra money earned through over-fulfillment of norms. The average over-fulfillment in the potash industry amounts to about 11% while in other industries it reaches as high as 220% for unskilled labor.

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